



BALD KNOLL MINE PROJECT

238 E. 100 N. #64 • Kanab, UT 84741
Phone: 801-644-8878 • Fax: 801-644-8878

Kane County Attorney
76 North Main #2
Kanab, Utah 84741

April 18, 1994

Gentlemen:

I am in receipt of your letter of April 13, 1994 concerning the road issue.

Please be advised that the March Corporation does not agree with Kane County's position on this matter nor do we recognize the County's latest decision to disclaim interest in any part of a legal contract with the March Corporation.

The March Corporation proposed this concept at a regular meeting of the Commissioners on Nov. 22, 1993 at which time all necessary and complete documentation was presented to the Commission for their review and action. The Commissioners had ample information with which they could make a sound and legal decision concerning the scope of our contract. On Jan. 28, 1994 the March Corporation and Kane County entered into a contractual agreement concerning this road issue. Since that time the March Corporation has proceeded to structure its entire Bald Knoll Mining Project according to the existence of such a contract.

We cannot allow Kane County to merely change its mind after the fact due to what looks like the the intimidation tactics of a few misinformed citizens. The March Corporation feels that Kane County has demonstrated prejudice in this situation and as a result we are contacting the Utah Attorney General to intervene on our behalf.

Respectfully submitted,
March Corporation

Andrew D. Edwards
Andrew D. Edwards
President

cc: State Lands & Forestry
Attn: John T. Blake

Kane County Commissioners
Attn: Mr. Glen Martin-Chmn.

file

MINUTES OF THE KANE COUNTY BOARD OF COMMISSIONERS
Meeting held April 11, 1994 in the Kane County Commission Chambers.

PRESENT: Commissioners Glen Martin, Ray Lopeman, & Norman Carroll.

ALSO PRESENT: Clerk Karla Johnson.

MINUTES: Motion to approve without change. Made by Commissioner Carroll, 2nd Commissioner Lopeman, carry UN.

APPROPRIATIONS AND PURCHASE ORDERS:

ROADS:

Sherm Cox presented several plans for road specifications for county roads with a recommendation that the Commission adopt a standard for road base, Mr. Cox was asked to get some additional information and to bring it back to the next Commission Meeting.

Mr. Cox was asked to file the class "B" road numbers to the state DOT if they are not already filed.
Calvin Johnson requested the "B" and "D" roads be protected against the environmental takings.

WEEDS: Discussion was raised about the BLM's responsibility to pay for their share of the weed control. Mr. Cox was requested to track every expenditure on the federal lands for proper accounting of our expenditures on federal lands.

MOTION: To put a contract out on the KOA road.
Made by Commissioner Lopeman Seconded by Commissioner Carroll carried unanimously.

Sand Dunes Road. There needs to be an overlay of the 2 mile stretch on the Sand dunes road before it breaks up. Mr. Cox recommends a 2' asphalt layer.

MOTION: To put the 2 mile overlay out to the engineer and to put it out to bid.
Made by Commissioner Lopeman Seconded by Commissioner Carroll carried unanimously.

Warm Creek Road The County was asked to withdraw their request on the Warm Creek Road, with the assurance that they could reintroduce it at a later date. This was of Great Concern to the Commission and this point in time, the Commission do not want to do it.

ANDY EDWARDS:

Present were: Robert C. Leach, Kenneth Leach, Trevor Leach, Diane L. McAllister, Ila Leach, Dale Spencer, Clark Lamb, Lane Little, Lois A. Hook, Finley Bunting, Wally Johnson, Bobby Swapp, Jeff Johnson, Calvin C. Johnson, Worth Brown, Darlos Peterson, Roy Mackelprang, Robin Hamblin, Bruce Bunting, Cleve Esplin, Merlin Esplin, Karl Heaton, and Vard Heaton.

Diane McAllister read a letter of protest of placing the road on the Class "D" road system and for opening this road to the public. They maintain that the road was maintained solely by the McAllisters' for the past 30 years. Also a request for reimbursement for all improvements that have been made by his family and to request a right of way for any other improvements to this road. With the injunction that if the Commission actions are not illegal, it is immoral.

Calvin C. Johnson Reported that when he was a Commissioner was when the "D" roads were designated. Also that the road in question was deleted years ago.

The Discussion of the alignment from the old road to the new road. The new road appears to not be on the original alignment.

Commissioner Martin said that the road has been on the "D" road system for over 30 years that he can find in the recorders office.

Diane McAllister asked if it was ethical.

The State section is owned by Trevor Leach with the Mineral rights owned by March Company.

Commissioner Martin requests the County Attorney and Road crew to research the problem.

Commissioner Carroll stated that the road agreement be between Leaches and march Corporation.

Calvin Johnson Stated that the Commission should move to delete this road from the County road system. This would be a step in protection of private property rights.

Commissioner Carroll Stated that the Planning Commission minutes show that the March Corp would maintain the road, there was no specification of what road or where.

MOTION: To vacate the road from the locked gate in section 21 up through section 16,. subject to a consent agreement to vacate signed by the Leach Family..

Made by Commissioner Lopeman Seconded by Commissioner Carroll carried unanimously.

Mr. Cox presented a map showing an alternate route to the Mine.

The Kane County Attorney asked question of those present about the State section. He also stated that the state would retain ownership of an access way to the mine.

The State section went into private ownership in 1928. This appears to be a matter between the Owner and the State.

DELETION OR VACATION OF COUNTY ROADS The Commission stated that

all "D" roads that the property owners wish to be deleted they must give a description of the road and bring it to the Commission to go through the proper steps to delete the roads.

PUBLIC HEARING ON THE ABANDONMENT OF DRY WASH:

A letter of protest was read about Alma Chamberlain, a abutting property owner.

MOTION: That Kane County will abandon the county right of way of the back portion of the 2 miles and responsibility of maintenance of the same of county road Dry Wash 437.

Made by Commissioner Lopeman Seconded by Commissioner Carroll carried unanimously.

RESOLUTION ON SUSTAINABLE ECOSYSTEMS:

Merlin Esplin presented a draft of a resolution on Sustainable Ecosystems, for Garfield and Kane Counties.
discussion of items to include in the resolution was held.

RECORDER'S

MOTION: To hire Georgia Baca in the recorders office for 20 hours a week at \$6.00 per hour, effective April 11, 1994.

Made by Commissioner Lopeman Seconded by Commissioner Carroll carried unanimously.

PROMOTION BUREAU:

Commissioner Lopeman expressed concerns voiced by some of the locals about the direction the promotion bureau is taking, also the Citizen Kane ad is hitting people after they are already here. Also Commissioner Lopeman expressed concern about the limited access of the tours.

MOTION: To enter Executive session personel and litigation.

Made by Commissioner Lopeman Seconded by Commissioner Carroll carried unanimously.

Regular session resumed

HOSPITAL THRIFT SHOP:

Ruth Koontz presented the difficulty that they are working under to find a new home for the thrift shop. The Promotion Bureau wants them out by the middle of May.

MAY TAX SALE:

McColl properties - Heaton's

Glen Heaton and Fred W. Drayer were present to discuss the May Tax Sale Procedures

MOTION:



OFFICE OF
TODD MACFARLANE
KANE COUNTY ATTORNEY
76 North Main #2
KANAB, UTAH 84741
Phone (801) 644-5278
Facsimile (801) 644-2281

April 13, 1994

Mr. Andrew D. Edwards
March Corporation
238 East 100 North
Kanab, UT 84741

Dear Mr. Edwards:

I am writing to advise you concerning the status of the issues regarding the road you contracted to improve and maintain for the County. Contrary to the information you provided that the County relied upon in negotiating with you, upon further inquiry and investigation, the County has determined that it has never had a legitimate claim to any road running through Sections 16 and 21, Township 40 South, Range 5 West, SLB&M, and has never improved or maintained that road after it leaves Sections 28 and 34.

Although there is a discrepancy among maps as to what the County actually claims, the County has determined that it has no interest in that portion of the road, and that it mistakenly relied upon the information you provided. Therefore, the County disclaims any interest in that portion of the road, and your agreement with the County should be modified accordingly, to release you from any obligation to the County for improvement and maintenance of the road across Sections 16 and 21.

Respectfully,


Todd MacFarlane
KANE COUNTY ATTORNEY

cc: Treavor Leach



BALD KNOLL MINE PROJECT

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APR 1 1994

State Of Utah
Department Of Natural Resources
Division Of State Lands & Forestry
3 Triad Center, Suite 400
355 West North Temple
Salt Lake City, Utah 84180-1204

March 30, 1994

Attn: Mr. John T. Blake
Mineral Resources Specialist

Gentlemen:

Due to recent developments concerning an Agreement/Contract between Andrew D. Edwards dba March Corporation and Kane County concerning the access roadway to the Bald Knoll Minesite, I offer the following information and comment.

Please note that recent actions by the Kane County Commissioners will shortly reveal that the March Corporation will have unrestricted access to the Bald Knoll Minesite via that existing roadway which is now considered to be a Kane County Class D Public Road. This new development clears the way for the commencement of our project in lieu of objections by the landowners.

Please be advised that the March Corporation is now ready to proceed with negotiations with the State Of Utah as to the purchase of that previously removed shale material currently on the roadway which we intend to presently use as a mine haul road and will be ultimately returned to Kane County as a Class B Public Road at the completion of our project. I have attached a copy of a letter which I sent to your department on Nov. 13, 1993 outlining this issue.

I will be forwarding you a copy of the Commissioners letter as soon as I receive it. Please advise me as to when your group would like to meet concerning the shale purchase.

I thank you for your attention on this matter and please feel free to contact me at any time.

cc: Engle & Associates
file

Respectfully submitted,
March Corporation

Andrew D. Edwards
Andrew D. Edwards
Manager of Operations



OFFICE OF
Kane County Commission
KANAB, UTAH 84741

Commissioners:
C. Glen Martin
Ray Lopeman
Norman Carroll

March 28, 1994

Mr. Andrew D. Edwards
238 East 100 North #64
Kanab, UT 84741

Dear Mr. Edwards:

On March 28, 1994, the Kane County Commission unanimously decided that the road to the March shale mine was on the County "D" road system. That road was in the process of being upgraded and will continue to be a county road.

We hope this answers your questions.

Yours truly,

KANE COUNTY COMMISSION


Glen Martin
Chairman

GM/am

SNOW, NUFFER, ENGSTROM & DRAKE

A PROFESSIONAL CORPORATION

STEVEN E. SNOW
DAVID NUFFER*
CHRIS L. ENGSTROM
LYLE R. DRAKE
TERRY L. WADE†
RANDALL R. SMART
JEFFREY N. STARKEY†
PATRICIA G. BRACKEN
E. SCOTT AWERKAMP
MICHAEL A. DAY

ATTORNEYS AT LAW

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SALT LAKE CITY OFFICE:

341 South Main St. Suite 201
Salt Lake City, Utah 84101
(801) 538-0400
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* Also Admitted in Arizona
† Also Admitted in Nevada

VIA FACSIMILE TRANSMISSION - 355-0922

February 7, 1994

John T. Blake
Mineral Resources Specialist
Utah Department of Natural Resources
Division of State Lands and Forestry
355 West North Temple
3 Trial Center, Suite 400
Salt Lake City, UT 84180-1204

RE: ML 45962-Building Stone/Limestone/March Corporation

Dear Mr. Blake:

I would appreciate receiving copies, at your earliest convenience, of the project location map and operation plan for the above small mining operation, together with any calculations for which the amount of the \$5,000 certificate of deposit was determined.

Thank you for your cooperation.

Sincerely,

SNOW, NUFFER, ENGSTROM & DRAKE



David Nuffer

DN/dc

cc: March Corporation
Treavor Leach

MC/DC/DN/L:Leach 813301:letyb 020894 818301 dn dc